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PLANS AND POLICY
USEUCOM Planning, Programming, and Budgeting
System (PPBS) Participation

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1. **Summary.** This memorandum outlines policies, procedures, and responsibilities for USEUCOM Directorates and Components, interfacing with the Planning, Programming, and Budgeting System (PPBS).
 2. **Applicability.** This Staff Memorandum is a USEUCOM publication that establishes policy, assigns responsibilities and directs actions for all Directorates within USEUCOM, and Components, Agencies, and Activities supporting or associated with USEUCOM. The terms PPBS issues and PPBS matters are to be considered interchangeably in this document, and refer to any external or internal matters related to the PPBS. The term PPBS actions refers to execution required or expected of USEUCOM Staff / Component related to the PPBS.
 3. **Internal Control Systems.** This publication is not subject to requirements of AR 11-2.
 4. **Suggested Improvements.** The Director for USEUCOM Plans and Policy (ECJ5) is the proponent for this publication. If you have any recommended changes forward them to ECJ5 Strategy, Resources, and Congressional Affairs Division (ECJ5-S).
 5. **References:**
 - a. CJCSI 3100.01 (01 Sep 97), Joint Strategic Planning System.
 - b. CJCSI 8501.01 (14 Jan 99, Draft Replacing MOP 136), CJCS, CINC, and Joint Staff Participation in PPBS.
 - c. DoD Instruction 7045.7 (23 May 84), Implementation of PPBS.
 - d. CJCSI 3137.01A (22 Jan 99), Joint Warfighting Capabilities Assessment Process.
 - e. CJCSI 5123.01 (02 May 97), Charter of The Joint Requirements Oversight Council.

This Directive supersedes SM 56-1, dated 23 June 1997

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- f. AFSC Pub 1, The Joint Staff Officer's Guide 1998.
- g. Capabilities Programming and Budgeting Manual (NFIP Resource Management Staff of the Office of the Community Management Staff (CMS), April 1993).
- h. The Joint Intelligence Guidance 1999 (CMS).
- i. An Intelligence Resource Manager's Guide, 1997 edition (Joint Military Training Center, October 1998).
- j. Executive Order 12333 (4 December 1981), "United States Intelligence Activities."

6. Responsibilities.

a. ECJ5 is the office of primary responsibility for coordinating Component and USEUCOM staff inputs, and developing positions on PPBS issues as they relate to USEUCOM. In addition, authority has been delegated to the Director, ECJ5, to approve all Program Budget Decision (PBD) inputs / comments for USCINCEUR to be transmitted via SIPRNET to the Joint Staff.

b. ECJ5-S responsibilities include:

- (1) Provide a central point for timely collection, dissemination, and processing of essential PPBS information.
- (2) Continuously coordinate PPBS issues and actions with the Joint Warfighting Capabilities Assessment (JWCA) / Joint Requirements Oversight Council (JROC) Action Officer to ensure congruency and accuracy.
- (3) Continuously coordinate PPBS and JWCA / JROC issues related to intelligence capabilities functions to ensure congruency and accuracy between ECJ2 (responsible for the Capabilities Programming and Budget System (CPBS)) and ECJ5-S (responsible for PPBS and JWCA / JROC).

c. Component Commanders, USEUCOM Directors and chiefs of special staff agencies are responsible for:

- (1) Designating a primary and alternate representative to the USEUCOM Program/Budgeting Issue Team (P/BIT). It is highly recommended that the primary P/BIT member have the potential for at least one-year retention.

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(2) Monitoring programs within their respective functional areas and providing expertise and delegating authority, as required, to develop an official USEUCOM position on PPBS issues. Historically, during some parts of the PPBS cycle, the Office of the Secretary of Defense (OSD) and Joint Staff will mandate an extremely short suspense (occasionally as little as six hours). When considering the requisite delegation of authority, Commanders must realize that an untimely answer is considered a "No Comment" by OSD and can result in the loss of substantial funding.

d. P/BIT member responsibilities:

(1) Be familiar with and track PPBS issues affecting their Components / Staff Directorate.

(2) Articulate their respective Component's / Staff Directorate's policy, requirements, and shortfalls in compliance with USEUCOM policy and CINC guidance.

(3) Provide responses, sanctioned by the appropriate Directorate / Component Commander, on PPBS issues within established timelines.

(4) Be familiar with the key processes, milestones, and timelines in the PPBS cycle as they pertain to USEUCOM.

e. ECCM is responsible for all PPBS issues directly related to the operation of Headquarters (HQ) USEUCOM only. ECCM will coordinate directly with Headquarters, Department of the Army for USEUCOM Program Objective Memorandum (POM) submissions and funding.

f. ECJ2 is responsible for all Capabilities Programming and Budget System (CPBS) issues and Intelligence Program Review Group (IPRG) issues directly related to intelligence capabilities and functions. ECJ2 will coordinate directly with the Defense Intelligence Agency, the Community Management Staff and its executive agent responsible for the National Foreign Intelligence Programs in accordance with EO 12333 for the Intelligence Program Objective Memorandum (IPOM). ECJ2 is also responsible to ensure continuous coordination with ECJ5-S on all CPBS / IPRG related issues in order to ensure congruency and accuracy between CPBS, PPBS, and the JWCA / JROC).

7. Policies and Procedures.

a. The P/BIT structure is established to facilitate coordination of all PPBS actions within the Headquarters, with the exception of HQ USEUCOM operations and CPBS / IPRG actions.

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b. The PPBS is a time-sensitive, advocacy-intensive process that demands timely input by participants. The P/BIT ensures that USEUCOM is successful in this forum. PPBS is a continuous, cyclic process that depends on fixed milestones and timelines for success. In order for USEUCOM to influence the Service Program Objective Memorandums (POM), Program Decision Memorandums (PDM), and Program Budget Decisions (PBD), as well as the JROC, input to all OSD and JSJ8 suspenses affecting USEUCOM must be accurate and timely. In many cases, the window of opportunity to comment is measured in hours. If we cannot respond within the set timelines, we lose the opportunity to influence programming decisions that may seriously affect the USEUCOM AOR. It is imperative that P/BIT members be well versed with their PPBS issues in advance, thus positioning themselves to respond quickly and accurately, when required.

c. Primary functions / actions of the P/BIT include:

- (1) USEUCOM Integrated Priority List (IPL) development and prioritization (August through December).
- (2) Review component input to Service POMs (February through March).
- (3) POM analysis (May through June).
- (4) USEUCOM Program Issue Development (June).
- (5) OSD Issue Paper analysis and comment (July).
- (6) Assist in Preparation of the CINC Defense Resource Board Book (late August to early September).
- (7) Attendance at Component or Directorate Staff Planning Conferences (September through October).
- (8) PDM analysis (two PDMs between August and October).
- (9) Review and development of command positions on all coordinated PBDs (can be expected from October through December).

d. In addition to formal actions in the PPBS process, the P/BIT may be tasked to review, evaluate, and make recommendations on priority of mission support, modernization, and acquisition requirements, and resource-related congressional testimony, in all major USEUCOM and Component Command mission areas. The P/BIT assists the ECJ5-S staff by providing a corporate body to expeditiously review and coordinate recommendations on various theater issues and positions.


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e. To meet the time-compressed suspense of PPBS issues, coordination is limited to the primary or alternate member appointed by the agencies designated in Appendix B. The listed agencies are responsible for appointing a primary and alternate member to the P/BIT. To ensure continuity for the entire program review cycle, it is highly recommended that the members have at least one-year retention. Additionally, the agencies are responsible for ensuring those members have authority, or immediate access to authority, to provide official agency policy guidance on PPBS issues within six hours if required. All changes / updates to P/BIT membership must be forwarded to the ECJ5-S, Resource Branch Chief.

FOR THE COMMANDER IN CHIEF:

OFFICIAL:

MICHAEL A. CANAVAN
Lieutenant General, USA
Chief of Staff



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Appendices:

- A - Planning, Programming, and Budgeting System (PPBS)
- B - Program / Budget Issues Team (P/BIT) Membership
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- D - Program Budget Decision (PBD) Cycle
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- F - Other CINC Influence in Programming and Budget Actions
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Enclosures:

- (1) - PPBS EVENTS-FY98 (Illustration).
- (2) - Joint Strategic Planning System (JSPS) (Illustration).
- (3) - Interacting With the JSPS (Illustration).
- (4) - Coordination Program Budget Decision (PBD) (Example).
- (5) - USEUCOM PBD Coordination Comments (Example).
- (6) - Coordinated PBD Change (Example).
- (7) - Signed PBD (Example).
- (8) - USEUCOM MBI Comments (Example).

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Appendix A
Planning, Programming, and Budgeting System (PPBS)

A-1. General.

a. The PPBS is a subsystem of the Defense Planning System (DPS). The DPS is made up of the Joint Strategic Planning System (JSPS), the Joint Operational Planning System (JOPES), and the Planning Program and Budgeting System (PPBS). The JSPS is the formal means by which the Chairman of the Joint Chiefs of Staff (CJCS), in consultation with the Service Chiefs and Combatant Commanders (CINCs), executes his responsibility to implement, direct, and execute the National Military Strategy (NMS). The JOPES is used to develop theater strategy and plans for long range and crisis action. The National Military Strategy (NMS) and Joint Strategic Capabilities Plan (JSCP) link JSPS and JOPES. The PPBS determines resource requirements to execute the NMS. JSPS is linked to PPBS through the Defense Planning Guidance (DPG) and the Chairman's Program Assessment (CPA).

b. The purpose of the Department of Defense (DoD) Planning, Programming, and Budgeting System (PPBS) is to produce a plan, a program, and a budget for the DoD in order to execute the National Military Strategy (NMS). The ultimate objective of the PPBS is to furnish the combatant commanders with the best mix of forces, equipment, and support attainable within fiscal constraints to support U.S. National Security interests. Basically, we can summarize the PPBS process by saying the Department of Defense develops:

- (1) Planning (long range) in consideration of the threat, and force structure requirements to support the NMS.
- (2) Programming (mid-term) to acquire the necessary personnel, weapons, and logistic support to achieve force structure requirements.
- (3) Budgeting (near-term) to support programs within the resources available.

A-2. PPBS Cycle. The PPBS process begins with the NMS. Each year the PPBS cycle begins by publishing adjustments to the DPG based on supporting the NMS. Joint Chiefs (through the JPD) and CINCs (through the Chairman's Program Recommendation (CPR)) provide input to the Office of the Secretary of Defense (OSD) who formulates and publishes the DPG. The DPG then becomes the baseline for the service Program Objective Memorandums (POM), Program Decision Memorandums (PDM), and the Department of Defense (DoD) Future Years Defense Program (FYDP). Prior to the PDM the CJCS (Service and CINC input is also considered) reviews and adjusts Service POMs with the CPA. POM adjustments are published in PDMs. PDMs and Program Budget Decisions (PBD) then become part of the President's annual budget submitted to Congress. The end result of each PPBS cycle is the congressionally approved DoD budget.

Appendix B
Program / Budget Issues Team (P/BIT) Membership

B-1. Chairman: Chief, Strategy, Resources, and Congressional Affairs Division (ECJ5-S).

B-2. Agencies with primary and alternate representatives:

ECJ1	ECSM
ECJ2	ECCS-AS
ECJ3	ECJA
ECJ4	ECIG
ECJ5	ECPA
ECJ5-E	ECCM
ECJ5-J	ECCS-SA
ECJ5-M	EC SO
ECJ5-P	USAREUR / AEAGF-PB
ECJ5-T	USAFE / XPPP (Primary for all but PBD and Congressional)
ECJ6	USAFE / FMAM (Primary for PBD and Congressional)
ECMD	USNAVEUR / N81
ECRA	MARFOREUR / G-5
ECCH	

B-3. Other Representatives: The P/BIT may require detailed professional or technical expertise / advice on specific issues. For this purpose, collateral members will be invited to attend specific P/BIT meetings or provide written positions. Examples: Defense Commissary Agency (DECA), Defense Information Service Agency (DISA), and Department of Defense Education Activity (DoDEA).

B-4. Responsibilities of P/BIT members. See page 3, paragraph 6.d of this memorandum.

Appendix C
Key PPBS Documents

C-1. Introduction. The PPBS translates force requirements developed by Department of Defense (DoD) into funded programs which are included in the defense portion of the President's Budget. There are several important documents within JSPS. This appendix will discuss only those related to PPBS. The following documents are key to PPBS.

C-2. Planning.

a. National Military Strategy. The CJCS analyzes the tasks and objectives from the Administration and Secretary of Defense, published in the National Security Strategy (NSS). After a thorough analysis of the NSS, the worldwide threat, and current National readiness situation, the CJCS publishes the National Military Strategy. The NMS derives, translates, and specifies military missions and requirements to ensure DoD congruency with the NSS. The NMS is the primary document within the JSPS that ensures Joint congruency in strategic planning (JOPES) and resource acquisition, procurement, and allocation (PPBS).

b. Joint Planning Document (JPD). The Joint Chiefs of Staff (JCS) develop the JPD annually for submission to OSD. It provides concise programming priorities, requirements, or advice to the Secretary of Defense for consideration during preparation of the Defense Planning Guidance (DPG). The JPD is a stand-alone document published in a series of volumes covering specific functional areas submitted by JCS to OSD. It is intended to furnish insight on CJCS priorities in development of the defense program for the affected Future Years Defense Program (FYDP).

c. Chairman's Program Recommendation (CPR). The CPR is the CJCS recommendation to create or enhance Joint Warfighting capabilities. The CINCs discuss and prepare issues during the fall Joint Warfighting Capabilities Assessment (JWCA). Subsequently, CINCs provide input to the CPR based on theater Integrated Priority List (IPL) requirements and JWCA results during the winter Joint Requirements Oversight Council (JROC).

d. Defense Planning Guidance (DPG). OSD publishes the DPG taking into consideration JPD guidance from the JCS, CPR recommendations from CJCS (and CINCs), and Congressional testimony. The DPG serves as an authoritative statement of the fundamental strategy, issues, and rationale underlying the defense program as seen by the leadership of DoD. The DPG outlines policy guidance, strategy guidance, force planning guidance, resource-planning guidance, and includes major issues for further study. Every year (at the winter JROC conference), CINCs are invited to provide input to the CPR. The CJCS, through the CPR, consolidates Service and CINC inputs and submits proposed changes to the DPG. Services and CINCs may be invited to appear before the Defense Resources Board (DRB) to address their concerns. The DPG is the major link between the Joint Strategic Planning System and PPBS. It is the SECDEF foundation from which all DoD programming and budgeting priorities are set.

Appendix C (2)
Key PPBS Documents

C-3. Programming.

a. The Integrated Priority List (IPL). The lead document for the CINC, the IPL is the foundation for USEUCOM programming. Submitted by the CINC in December, it is the baseline document from which OSD determines the CINC funding requirements for the FYDP. Input to the IPL is made formally through the P/BIT. IPL planning by the Components and Directorates should begin no later than August prior to the upcoming FYDP.

b. Program Objective Memorandums (POM). POMs are submitted by the military departments in the spring of each year. Service POMs translate planning and programming guidance, along with congressional guidance, into an allocation of forces, manpower and funds. This allocation is balanced within constraints (Services / Defense Agencies are given Total Obligation Authority (TOA), including manpower, for POMs). The first year of the Future Year Defense Program (FYDP) coincides with the President's Budget. The CINC secures input to the Service POMs in three ways. First, the CINC's IPL is submitted to the SECDEF and CJCS. Second, each CINC sends its headquarters POM submission to the service designated as their administrative agency. Third, Components support the CINC's IPL in their input to their Service POMs. The Services are then required to show how their POMs respond to the needs of the CINC in a special annex (Tab I) to their POMs.

c. Chairman's Program Assessment (CPA). The significance of the CPA is that it helps the SECDEF make programming decisions. The CPA is the CJCS' assessment of the composite POM. The CPA addresses the adequacy and capabilities of the total forces, as delineated in the POMs, to execute the National Military Strategy (NMS). Additionally, it assesses the extent to which the program recommendations and budget proposals of the military departments conform to the priorities set in strategic plans, and support the priorities established by the combatant commanders. The CINC's provide comments to the Joint Staff during the summer JROC for inclusion in the CPA.

d. Defense Resources Board (DRB) Issue Books and Papers. The DRB is chaired by the Deputy Secretary of Defense and is the executive-level decision making body for the DoD PPBS. The DRB utilizes a Program Review Group to review the POMs. The Program Review Group (PRG) identifies specific points of contention with proposed program funding and prepares Program Review Issue (PRI) outlines. The PRIs are developed by the PRG in concert with OSD, Office of Management and Budget (OMB), OJCS, the military departments, and the CINC's. Each PRI paper must provide alternative solutions with recommended offsets for funding if appropriate. Proposed PRIs are submitted to the PRG as one-page outlines. PRIs are then reviewed by the PRG. PRIs that the PRG consider as having broad policy, force, program or resource implication are then grouped and consolidated into "DRB Issue Books and Papers." Upon completion, they are forwarded to the DRB for review and subsequent decision.

Appendix C (3)
Key PPBS Documents

(1) The selected issues are developed into OSD Issue Papers (IP) which are assigned to one of the following eight Main Issues:

- (a) Policy and Risk Assessment.
- (b) Nuclear Forces.
- (c) Conventional Forces.
- (d) Modernization and Investment.
- (e) Readiness and Other Logistics.
- (f) Manpower.
- (g) Intelligence (handled separately by ECJ2 because of classification).
- (h) Management Initiatives.

(2) The Main Issues become the vehicles for the CINCs, JCS, and OSD to address program concerns. DRB decisions based on review of issues are recorded in the Program Decision Memorandum (PDM).

(3) CINCs are requested by the Chairman of the Joint Chiefs of Staff to provide comments on OSD Issue Papers. The CJCS may then advocate the CINCs' positions during the DRB deliberations on those issues.

(4) The CINCs are given the opportunity to address the DRB by invitation only. When invited, CINCs participate in the discussion, but not the decisions, regarding issues identified as CINC issues.

e. Program Decision Memorandum (PDM). The PDMs incorporate decisions of the DRB, are signed by the SECDEF or Deputy Secretary of Defense (DEPSECDEF) and are distributed to the military departments and defense agencies. The PDMs (usually two) modify the Service POMs. This modified POM then becomes the Budget Estimate Submission (BES). ECJ5-S must ensure decisions affecting USEUCOM issues are thoroughly coordinated with the JWCA / JROC AO for accuracy.

Appendix C (4)
Key PPBS Documents

C-4. Budgeting.

a. Budget Estimate Submission (BES). The Services and each Defense Agency will develop their modified POMs, or Budget Estimate Submission (BES), during the July-September time frame. The BESs are submitted to the OSD Comptroller in late September. The BES represents the Services' best estimate of the cost of their fiscal year program. The DEPSECDEF signs the final Program Decision memorandum (PDM) completing the fiscal year program review in September. Since the BES must be developed prior to the final PDM, some pricing and programmatic adjustments are required during the budget review process.

b. Program Budget Decision (PBD).

(1) The CINCs, Joint Staff, Department of Defense, and OMB jointly review the BES. USEUCOM influences the BES in the summer JROC through the Chairman's Program Assessment language. This review results in the issuance of PBDs. PBDs are decision documents signed by the Deputy Secretary of Defense to approve the budgets. These decisions, which adjust the BES, address all the resources in the budget activity structure of the Department of Defense. The decisions include the current year, the budget year, and an estimate of resource impact on future program years.

(2) While the review is progressing, the DRB meets periodically to hear military and other defense agency appeals (comments) to PBDs. The DRBs discuss controversial issues, prepare recommendations to the SECDEF, and prepare guidance for the military departments and defense agencies based on the results of the meetings of the SECDEF with the President.

(3) After receiving PBDs from the DEPSECDEF, the military departments, defense agencies, and CINCs rebut issues requiring personal reconsideration by the SECDEF (PBD Comments). Subsequent SECDEF decisions will be announced as revised PBDs. Major Budget Issues (MBI) are submitted by a service, agency or CINC ONLY in those cases where decisions result in extreme negative impact (See Appendix D for a detailed description of the PBD cycle).

(4) PBDs are the basis for adjustment of BES position. Final BESs subsequently become the DoD portion of the President's Budget.

c. President's Budget. The President reviews and signs the DoD budget submission. Then he in turn submits the signed President's Budget to Congress for approval.

Appendix C (5)
Key PPBS Documents

c. Congressional Testimony. CINCs are requested to testify before Congress shortly after budget submission. HQ USEUCOM, assisted by the P/BIT, prepares USCINCEUR's testimony (with appropriate data and supporting background papers). This integrates earlier Integrated Priority List (IPL) efforts and provides the basis for the CINC's agenda for the next 12 months.

d. Future Years Defense Program (FYDP).

(1) The FYDP reflects SECDEF approved programs in an automated database that is updated and published at least three times a year. FYDP publication usually coincides with the President's budget submission, POM submissions, or Budget Estimate Submissions. The FYDP is only published for Presidential and Congressional approval once per year, in February.

(2) Forces, manpower, and Total Obligation Authority (TOA) (funding limitations), are all reflected in the FYDP by program element. Program elements generally represent an aggregation of organizational entities reflecting the primary and support missions of the Department of Defense. Resources are divided by Resource Identification Codes (RIC) that identify force type, manpower type, and budget appropriation.

Appendix D
Program Budget Decision (PBD) Cycle

D-1. What is the PBD Cycle? This is the most INTENSIVE and time sensitive of all P/BIT responsibilities. The purpose the PBD Cycle is to conduct a DoD-wide review in order to incorporate Service and Defense Agency BESs into a final DoD budget. OSD conducts the department-wide PBD cycle in the September-January time frame. The OSD Comptroller is the lead agency for the budget review.

a. OSD announces its budget decisions in a series of PBDs.

(1) Typically, a PBD may propose one or more alternatives to a Service budget proposal. Each PBD includes a brief description of the issue and a summary of the alternatives. Normally, each PBD will be released initially as a "Coordinating Draft." PBD decisions (Signed PBDs) will be released late in the cycle (example of a coordinating PBD at enclosure 4).

(2) The Services, Joint Staff, and CINCs will be offered the opportunity to review and provide comments on most of the draft PBDs. The suspense for comments will be very short (normally established at 24-72 hours from the time the PBD is released from OSD). Typically, CINCs have less than 24 hours to provide comments to the Joint Staff. ECJ5-S consolidates all USEUCOM comments for submission to the Joint Staff J8 (JSJ8). JSJ8 will consolidate the CINC comments on all PPBS issues and will forward them to OSD (example of USEUCOM comments at enclosure 5).

(3) OSD may release multiple changes to PBDs based on comments and additional information provided by the Services (example at enclosure 6). The CINCs may be given the opportunity to comment on PBD changes.

(4) The OSD Comptroller will make a final recommendation on each PBD to the SECDEF / DEPSECDEF. The SECDEF / DEPSECDEF will record the final decision in a signed PBD (example at enclosure 7).

(5) Several hundred PBDs may be required to evaluate and adjust the total DoD budget. Of these, USEUCOM typically receives more than 150 PBDs per year for comment.

b. Major Budget Issues (MBI) are those "silver bullet" issues that a CINC believes must be fixed before the budget is finalized. The CINCs are given the opportunity to identify a list of MBIs in the mid-November time frame. The JSJ8 usually requests MBIs in late November. A final "revised PBD" or "OSD Memorandum" incorporates MBI deliberations (MBI example at enclosure 8).

Appendix D (2)
Program Budget Decision (PBD) Cycle

c. The SECDEF usually convenes a meeting of the Defense Resources Board in early December to address outstanding MBIs. The CINCs may be invited to attend the DRB even though they are not voting members. Although ECJ5-S has the lead to prepare the CINC for all DRBs, the Program / Budget Issues Team (P/BIT) provides the functional expertise.

d. OSD usually locks the proposed fiscal year DoD budget in late December and submits it to the OMB and President for approval. The President submits the final budget to Congress following his State of the Union address, no later than the first Tuesday in February.

D-2. Coordinating Process at HQ USEUCOM.

a. Program / Budget Issues Team (P/BIT). The P/BIT is the group of Component and Staff Action Officers (AO) responsible for assisting ECJ5-S in evaluating and developing USCINCEUR responses on all program / budget issues. ECJ5-S is responsible for coordinating the actions of the P/BIT. A copy of the current P/BIT roster is kept in the Resources Branch and is continuously updated.

b. PBD Component Conferences and EUCOM Staff planning meeting. ECJ5-S visits all Component P/BIT members, and hosts a planning meeting for EUCOM Staff P/BIT members prior to the PBD cycle. The ECJ5-S team provides P/BIT training covering the entire PPBS process, including JWCA/JROC interface. Detailed training is provided highlighting the procedures for coordinating and developing responses for all PBDs.

c. ECJ5-S will brief and update the DCINC and Chief of Staff as requested on plans for managing the PBD cycle in the headquarters. **ALL JSJ8 SUSPENSES ARE FIRM.** If responses are not submitted on time, OSD will make their decision without the benefit of USEUCOM input. To meet the short suspense times for PBD response, the Chief of Staff has delegated approval authority for all EUCOM PBD responses to the ECJ5 Director.

(1) JSJ8 will use the classified LAN (SIPRNET) to forward PBDs electronically to the CINCs. JSJ8 will also set the suspense for comments. Not all PBDs are routed for review, but may be issued as signed PBDs only.

(2) ECJ5-S is responsible for: receiving all PBDs from JSJ8; reviewing and assigning OPR / OSRs for each; establishing the internal USEUCOM suspense for staff comments; preparing the final USEUCOM PBD / MBI comments for approval **within time constraints**; maintaining a daily status report throughout the cycle; providing USEUCOM comments to the Joint Staff; providing copies of the approved USEUCOM comments to the Components and staff; and providing periodic summaries to the command group.

Appendix D (3)
Program Budget Decision (PBD) Cycle

(3) At the height of the cycle, OSD will release 8-10 PBDs per day. ECJ5-S reviews them, assigns OPR / OSR as required and then forwards copies of the PBDs by SLAN to the USEUCOM staff and Component P/BIT members.

(4) The OPR for each PBD must do the necessary coordination with the Components and across the USEUCOM staff, and provide a complete command position in the proper format to ECJ5-S via SLAN. **OPRs will have only a few hours to develop the staff position on PBDs.**

d. Many PBDs will address issues that do not have a direct impact on this theater. Examples include military or civilian pay rates, procurement schedules for major weapon systems, or CONUS construction programs. Only those issues that have a direct impact on this theater (e.g., overseas O&M funding, overseas MILCON, CINC IPL issues) should be forwarded to the Joint Staff (approximately 20% of the PBDs issued by OSD). All CINC comments will be returned to the JSJ8 via the SLAN (SIPRNET). In the event the system is down, comments will be faxed. The JSJ8 must receive a response, or NO COMMENT is assumed by OSD.

e. Copies of all PBDs and USEUCOM position papers are kept for one year after the end of the PBD cycle.

Appendix E
HQ USEUCOM PPBS Interface with DoD through the PPBS

- E-1. Integrated Priority List (IPL). Annually, the CINCs submit a prioritized list of high-priority requirements and shortfalls to the SECDEF and CJCS. The IPL is submitted in December and sets the baseline for CINC participation in subsequent processes of the annual PPBS cycle. OPR for the USEUCOM IPL is ECJ5-S, with the Components and EUCOM Staff serving as OSR through the P/BIT.
- E-2. The Chairman's Program Recommendation (CPR) is the CJCS input to OSD to revise the DPG, in order to create or enhance joint warfighting capabilities. The CINCs, through the Joint Warfighting Capabilities Assessment (JWCA), and subsequently the Joint Requirements Oversight Council (JROC), recommend CPR language based on Theater requirements delineated in their Integrated Priority List. The CINCs influence the DPG through comments provided to the Joint Staff for inclusion in the CPR during the winter JROC.
- E-3. The Chairman's Program Assessment (CPA) is the CJCS assessment of the Services' POMs. The CPA addresses the adequacy and capabilities of the total forces, as delineated in the POMs, to execute the National Military Strategy (NMS). Additionally, it assesses the extent to which program recommendations and budget proposals of the Services conform to the priorities set in Joint Strategic Capabilities Plans (JSCP), and support priorities established by the CINCs in their IPL. The CINCs provide comments to the Joint Staff during the summer JROC for inclusion in the CPA.
- E-4. TAB I to Service POMs. The Services include Tab I in their annual POM build. Tab I describes action taken by the Services to support the CINC's IPL.
- E-5. DRB Presentation. When invited by OSD, USCINCEUR addresses the DRB during the Program Review Issues deliberations. The DRB provides the formal opportunity for USCINCEUR to emphasize those programs in the Service POMs that are essential to the theater.
- E-6. Inputs to OSD and JCS. USEUCOM provides input to OSD and JCS to be used in the development of PPBS documents. Comments are provided by the ECJ5-S Strategy Branch on the NMS, JSCP, DPG, and CPA. These documents / USEUCOM responses are transmitted via the SIPRNET to the Joint Staff.
- E-7. Administrative Agency Funding / POM Integration at the Service Level. The Secretary of Defense has designated the Secretary of the Army to provide / arrange for administrative / logistical support for HQ USEUCOM.
- a. There are two separate tracks for submission of requirements to the Services. HQ USEUCOM programs are submitted directly to the Army Staff by ECCM, while USEUCOM requirements pertaining to Components are submitted via the Service components.

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HQ USEUCOM PPBS Interface with DoD through the PPBS

b. Since the Army is USEUCOM's administrative agency, HQ USEUCOM programs are submitted directly to the Army Staff and briefed to the Board Structure. Thus, these programs should receive appropriate attention and emphasis.

c. Commanders-in-Chief of all Unified and Specified Commands submit clearly identified requirements, which support the needs of the forces assigned for planning, to the military departments. The Components detail these requirements and provide cost data of warfighting needs to their military departments. The Components for USEUCOM are U.S. Army Europe (USAREUR), U.S. Air Force Europe (USAFE), U.S. Navy Europe (USNAVEUR), U.S. Marine Forces Europe (USMARFOREUR), and U.S. Special Operations Command Europe (USSOCEUR).

E-8. Defense Resources Board Members:

Chairman: Deputy Secretary of Defense

Vice Chairman: Chairman, Joint Chiefs of Staff

Executive Secretary: Director, OSD (Program Analysis & Evaluation)

Members:

Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Vice Chairman, Joint Chiefs of Staff
Under Secretary of Defense for Acquisition and Technology
Under Secretary of Defense for Policy
Asst. Secretary of Defense (Comptroller)
Asst. Secretary of Defense (Personnel and Readiness)
- Others as Appropriate

Appendix F
Other CINC Influence in Programming and Budgeting Actions

F-1. Other Ways to Influence the System. The programming and budgeting actions can be influenced through many other means. Some examples include:

a. The Joint Warfighting Capabilities Assessment (JWCA) meets twice annually and each is followed by a meeting of the Joint Requirements Oversight Council (JROC). All PPBS and JWCA / JROC capabilities and requirements are inherently related, therefore they must be consistent. ECJ5-S incorporates all of these functions in order to maximize cross branch communication and coordination. Because the functions of JWCA / JROC at USEUCOM are incorporated in ECJ5-S, they represent four additional venues in which CINC requirements are addressed.

b. Capabilities Programming and Budgeting System (CPBS) is the system responsible for resource issues directly related to intelligence capabilities and functions. The CPBS is a subset of the overall Planning, Programming and Budgeting System. The process is similar, running simultaneously and in parallel to the normal PPBS process. ECJ2 is responsible for programming and coordinating directly with the DIA, and answering the specific demands of the major CPBS bodies listed below.

(1) Intelligence Program Review Group (IPRG) is a management body created in 1995 to meet regularly for the purpose of identifying intelligence issues for program and budget review. It discusses intelligence issues and decides which are to be forwarded to the Expanded DRB (EDRB) or the Intelligence Community Executive Committee (IC/EXCOM).

(2) Expanded Defense Resource Board (EDRB) is the expanded version of the DRB that meets annually to deliberate on major intelligence issues other than non-DoD National Foreign Intelligence Program issues (NFIP). The IC/EXCOM takes the EDRB role on non-DoD NFIP issues.

(3) Military Intelligence Board (MIB) is the forum for discussion of defense intelligence issues and priorities. It plays a key role in helping the General Defense Intelligence Program (GDIP) manager make difficult intelligence resource allocation decisions.

(4) Defense Intelligence Executive Board (DIEB) is a board established in 1994 to provide effective oversight of defense intelligence programs and make key decisions for efficient allocation of available resources to address Department needs. The board was designed to support the SECDEF in the same manner that the MIB supports the GDIP program manager. It is chaired by the DEPSECDEF.

(5) Joint Intelligence Guidance (JIG) is published after the DPG to provide the same fiscal guidance to the CPBS requirements as the DPG does for PPBS.

Appendix F(2)
Other CINC Influence in Programming and Budgeting Actions

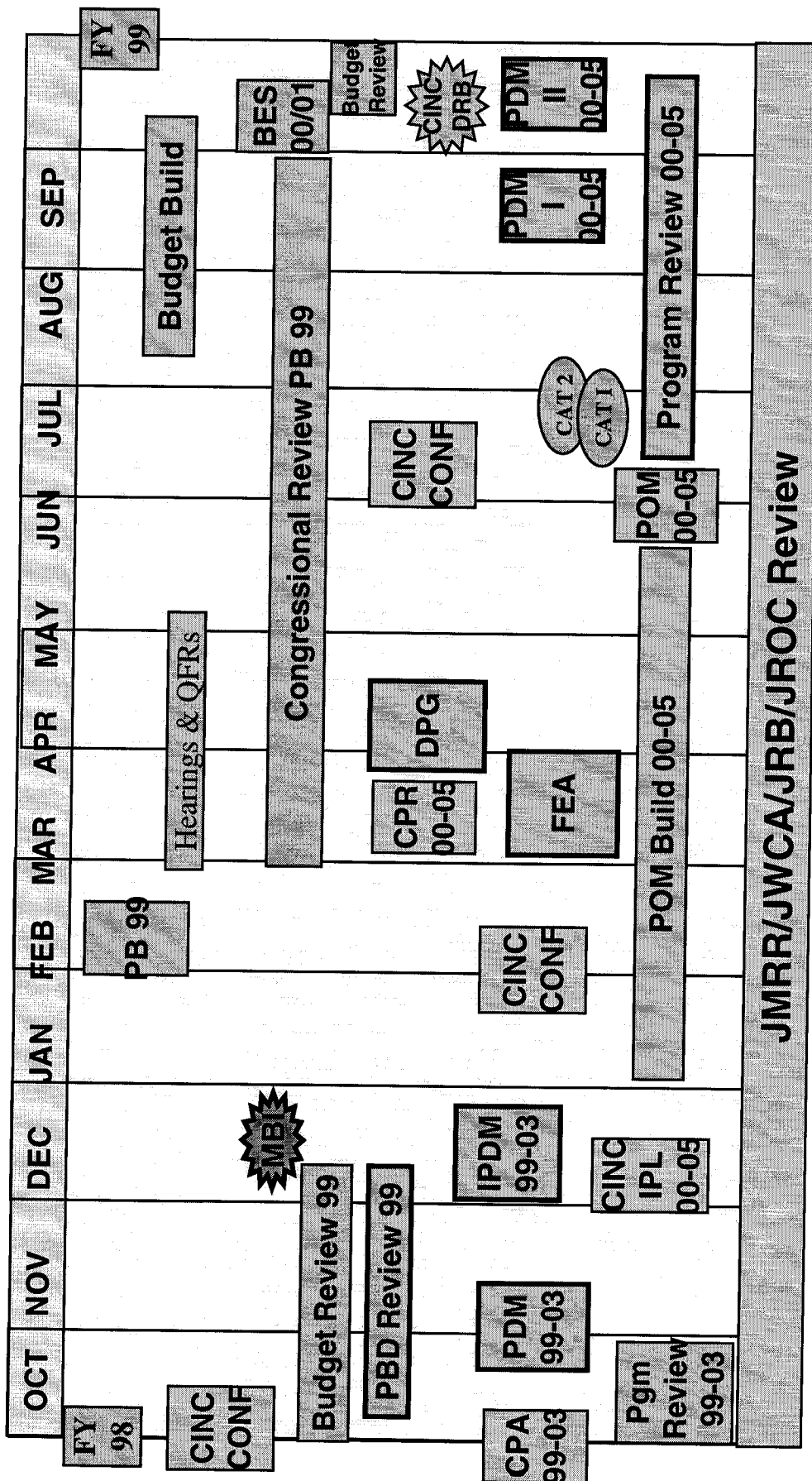
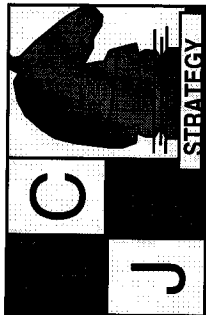
- c. Senior Military Intelligence Officers' Conference (SMIOC) (includes CINC POM / budget requirements).
 - d. Annual CINC Posture Statement to Congress.
 - e. USCINCEUR appearances before authorization and appropriation committee hearings of Congress.
 - f. Joint Military Readiness Review (JMRR).
 - g. CJCS solicitation of CINC's comments prior to meeting the President on Defense Budget.
 - h. C4I Program Review Conference (CINC's representatives and JCS / C35 review Service and defense agency POMs).
 - i. Annual Conference of Logistic Directors (OJCS, Services and CINC's representatives).
 - j. CJCS-CINCs Medical Planning Conferences.
 - k. CINC input to the Joint Security Assistance Memorandum Supporting Analysis and the Joint Security Assistance Memorandum.
- F-2. Coordination. Directorate and Component staffs MUST ensure their efforts in all resource / requirements areas are coordinated with ECJ5-S to ensure continuity / congruency of USEUCOM requirements.

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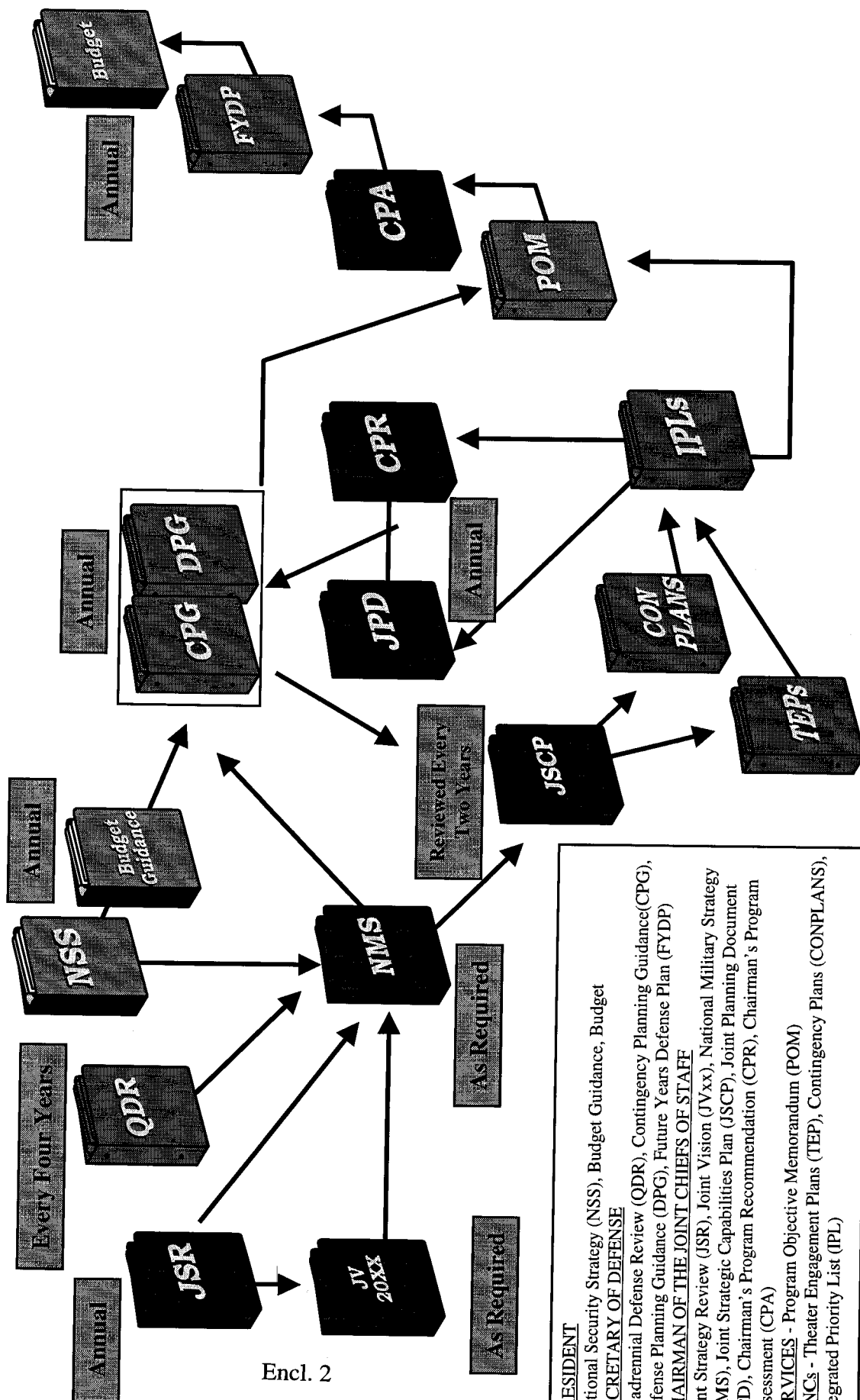
ANNUAL PPBS EVENTS

(FY-98 used as example)



Joint Strategic Planning System

Key Relationships



Encl. 2

PRESIDENT
 National Security Strategy (NSS), Budget Guidance, Budget
SECRETARY OF DEFENSE
 Quadrennial Defense Review (QDR), Contingency Planning Guidance (CPG),
 Defense Planning Guidance (DPG), Future Years Defense Plan (FYDP)
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
 Joint Strategy Review (JSR), Joint Vision (JVxx), National Military Strategy
 (NMS), Joint Strategic Capabilities Plan (JSCP), Joint Planning Document
 (JPD), Chairman's Program Recommendation (CPR), Chairman's Program
 Assessment (CPA)
SERVICES - Program Objective Memorandum (POM)
CINCS - Theater Engagement Plans (TEP), Contingency Plans (CONPLANS),
 Integrated Priority List (IPL)

UNCLASSIFIED Joint Staff Working Paper



**JOINT STAFF
PBD COORDINATION
SUSPENSE SHEET**

PBD - 083

Operations - DoDEA and the OEA

J-8 POINT OF CONTACT

MS. REGINA JACKSON

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FAX DSN 227-5229

**SUSPENSE FOR COMMENTS
TO J-8 PBAD**

1200 EASTERN / 20 OCT 98

**CINC COMMENTS: E-Mail to J-8 PBAD via GCCS E-Mail
dj9pbad1@nmcc20a.nmcc.smil.mil**

JOINT STAFF COMMENTS: E-Mail to J-8 POC via JSAN E-Mail

**CONFIRM RECEIPT OF COMMENTS BY CALLING
DSN 224-6489 or DSN 225-0322**

SUBJECT: Operations - DoD Dependents Education Activity (DoDEA) and the Office of Economic Adjustment (OEA)

DOD COMPONENTS: Army, Navy, Air Force, DoD Dependents Education Activity, and the Office of Economic Adjustment

SUMMARY OF ADJUSTMENTS:

	(TOA, Dollars in Millions)		
	FY 1999	FY 2000	FY 2001
Agency Estimate	1,379.0	1,388.5	1,417.8
Alternative Estimate	-1.3	-9.0	-8.9

	(Civilian, FTEs/E/S)		
	FY 1999	FY 2000	FY 2001
Agency Estimate	13,470	13,181	13,096
Alternative Estimate	+66	+67	+69

SUMMARY OF EVALUATION: The Agency estimate finances the operation and maintenance costs for DoDEA and OEA. The alternative estimate reflects the following adjustments:

- Reduces DoDEA funding in FY 2000 and beyond to fully reflect savings as a result of closures at Panama and Fort McClellan. (FY 2000, \$7.8 million and FY 2001, \$8.0 million)
- Increases DoDEA Civilian FTEs and End Strength in FY 1999 and the outyears to reflect movement of Navy reimbursable civilians to DoDEA. (FY 1999, 69 FTEs/E/S; FY 2000, 69 FTEs/E/S; and FY 2001, 69 FTEs/E/S)
- Reduces OEA funding to reflect reduced administrative costs. (FY 1999, \$1.1 million; FY 2000, \$1.0 million; and FY 2001, \$0.9 million)
- Accelerates the reduction in OEA's civilian FTEs and End Strength to reflect FY 1998 execution and reduction of OEA mission for Base Realignment and Closure Commission (BRAC) support. (FY 1999, \$.2 million and 3 FTEs/E/S and FY 2000, \$.2 million and 2 FTEs/E/S)

DETAIL OF EVALUATION:**DoD Dependents Education Activity (DoDEA)**

The DoDEA program finances: (1) elementary and secondary education for U. S. military children attending DoD dependent schools (DoDDS) overseas and DoD domestic dependent elementary and secondary schools (DDESS), and (2) family support assistance services. The following table provides the price and program changes between FY 1999 and FY 2000 for DoDEA.

		(TOA, Dollars in Millions)			
		Foreign	Price	Program	
		Currency	Change	Change	
	FY 1999				FY 2000
Agency Estimate	1,347.7	+1.8	+31.9	-23.4	1,358.0

DoDEA Savings from Panama and Fort McClellan Closures

		(TOA, Dollars in Millions)	
		FY 1999	FY 2000
Agency Estimate		-	-
Alternative Estimate		-	-6.3

Both Panama and Fort McClellan are closing at the end of the 1998/99 school year. The total costs for operating Fort McClellan and Panama in FY 1999 (in FY 2000 \$) are \$37.7 million. Of this amount, \$2.5 million is in reimbursements from tuition paying students. There are no expected costs at these two sites in FY 2000. However, there are some offsetting costs that reduce the closure savings.

It appears that some of the troops currently assigned to Panama will be reassigned to Puerto Rico. DoDEA estimates that this will require increased staffing and support costs of \$3.3 million in FY 2000 and beyond. The resulting net savings are \$31.9 million. However, the DoDEA budget only reflects a decrease for the closure of \$24.1 million, or \$7.8 million less than expected. The DoDEA budget appropriately reduces FTEs; therefore, no manpower adjustment is required.

The alternative estimate reduces funding by \$7.8 million in FY 2000 to fully reflect net expected savings from closing Panama and Fort McClellan. The outyears are similarly adjusted.

Realignment of Full-Time Equivalent Authorizations

	(Civilian FTEs)	
	<u>FY 1999</u>	<u>FY 2000</u>
Agency Estimate	13,424	13,141
Alternative Estimate (FTEs)	+69	+69
Alternative Estimate (E/S)	+69	+69

A DA&M (Director for Administration & Management) study on DoDEA organization recommended that certain Navy reimbursable civilian personnel be realigned under DoDEA. The DA&M study recommended the consolidation of personnel support (64 FTEs) and the General Counsel's Offices (5 FTEs) to eliminate duplication of services.

The alternative estimate increases DoDEA by 69 FTEs and End Strength in FY 1999 and FY 2000. The outyears are similarly adjusted. There is no funding adjustment as DoDEA already pays for these personnel as a reimbursable expense.

Office of Economic Adjustment (OEA)

The OEA provides technical and financial assistance to communities: (1) that are affected by base closures, realignments, and reductions in defense industry employment, (2) where the local economy is heavily dependent on defense expenditures, (3) where expansion of the local military installation significantly increases the demand for public facilities and services, and (4) when community development threatens the mission of an installation.

	(TOA, Dollars in Millions)			
	<u>FY 1999</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2000</u>
Agency Estimate	31.2	+0.5	-1.2	30.5

Administrative and Management Overhead

	(TOA, Dollars in Millions)	
	<u>FY 1999</u>	<u>FY 2000</u>
Agency Estimate	31.2	30.5
Alternative Estimate	-1.1	-1.0

With the reduction of OEA's mission for Base Realignment and Closure Commission (BRAC) support, FY 1998 management and administrative overhead costs were lower than expected. Lower cost areas include travel, consulting services, and other services. To update the OEA

estimate for the FY 1998 experience, the alternate estimate reduces funding by \$1.1 million in FY 1999 and by \$1.0 million FY 2000. The outyears are similarly adjusted.

Adjustment of Civilian FTEs to Meet Requirement

	(TOA, Dollars in Millions)	
	<u>FY 1999</u>	<u>FY 2000</u>
<u>Agency Estimate</u>	31.2	30.5
Civilian FTEs	46	43

	(TOA, Dollars in Millions)	
	<u>FY 1999</u>	<u>FY 2000</u>
<u>Alternative Estimate</u>	-0.2	-0.2
Civilian FTEs	-3	-2
Civilian E/S	-3	-2

A major decrease in demand for OEA support will occur in FY 1999 when most BRAC communities complete their base reuse planning. The workload drops OEA personnel requirements from a high of 50 civilian personnel in FY 1997 to 31 in FY 2002. OEA is 2 years ahead of schedule on their reductions in personnel and expects to be at 43 civilian personnel in FY 1999 and 41 in FY 2000. The alternate estimate reduces funding and FTEs and E/S to reflect the revised plan (\$0.2 million and 3 civilian FTEs and E/S in FY 1999; and, \$0.2 million and 2 civilian FTEs and E/S in FY 2000). There is no adjustment to the outyear estimates.

SUMMARY OF ADJUSTMENTS:**Funding**

	(TOA, Dollars in Millions)		
<u>Alternative Estimate</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
O&M, Defense-Wide	-1.3	-9.0	-8.9

Manpower

	(Civilian FTEs)		
<u>Alternative Estimate</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Defense-Wide, Civilian FTEs	+66	+67	+69
Defense-Wide, Civilian E/S	+66	+67	+69

OUTYEAR IMPACT:**Funding**

	(TOA, Dollars in Thousands)			
<u>Alternative Estimate</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
O&M, Defense-Wide	-9.1	-9.2	-9.4	-9.5

Manpower

	(Civilian FTEs/E/S)			
<u>Alternative Estimate</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
O&M, Defense-Wide (FTEs)	+69	+69	+69	+69
O&M, Defense-Wide (E/S)	+69	+69	+69	+69

UNCLASSIFIED

UNITED STATES EUROPEAN COMMAND

PBD COORDINATION COMMENTS

PBD: #083 TITLE: Operations – DoDEA and the OEA

SUMMARY: This PBD reduces DoDEA funding in FY 2000 to reflect expected net savings (\$7.8M) from closing Panama and Fort McClellan. USEUCOM requests that this funding be restored and used to offset unfunded requirements, which affect DODEA's ability to deliver the world, class education promised to our children.

COORDINATION COMMENTS: US EUCOM supports funding the following programs in priority order:

1. Establishment of a full day kindergarten program
2. Establishment of a summer school program
3. Reduce pupil-teacher ratio in grades 1-3
4. Funding of program based staffing to create comparable education opportunities for all schools
5. Technology upgrades to comply with Presidential Education Initiatives

Quality of Life continues to be a top Integrated Priority List item for this Command. Providing quality education for the dependents of our service members is a critical piece of that program.

RECOMMENDATION: Restore the \$7.8 M to support unfunded, but necessary programs outlined above.

ORIGINAL SIGNED 20 OCT 98

APPROVED BY:

CHARLES J. WAX
Major General
Director, Plans and Policy Directorate

UNCLASSIFIED

UNITED STATES EUROPEAN COMMAND

PBD COORDINATION COMMENTS

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RECOMMENDATION: Restore the \$7.8 M to support unfunded, but necessary programs outlined above.

ORIGINAL SIGNED 20 OCT 98

APPROVED BY:

CHARLES J. WAX
Major General
Director, Plans and Policy Directorate

CHANGE

SUBJECT: Operations - DoD Dependents Education Activity

DOD COMPONENTS: Army, Navy, Air Force, and DoD Dependents Education Activity (DoDEA)

SUMMARY OF ADJUSTMENTS:

	(TOA, Dollars in Millions)		
	FY 1999	FY 2000	FY 2001
Original Service Estimate	13,347.7	1,358.0	1,387.3
Tentative Approved in PBD	-1.3	-9.0	-8.9
Alternative Estimate	+1.6	+7.9	+8.0

SUMMARY OF EVALUATION: The alternative estimate reflects the following adjustments:

- Adds full-day kindergarten and reduces pupil teacher ratio in first through third grades (FY 2000, \$+13.9 million and +74 FTEs; FY 2001, \$+29.7 million and +170 FTEs).
- Adds a pilot summer school program for DoDDS (FY 2000, \$+0.8 million and +12 FTEs; FY 2001, \$+0.8 million and +12 FTEs)
- Adds funding for additional requirement in Puerto Rico as a result of additional student population (FY 2000, +16 FTEs; FY 2001, \$+0.8 million and +16 FTEs).
- Adds \$1.6 million in FY 1999 for Hurricane George damage.
- Reduces DoDEA funding for lower than expected student enrollment (FY 2000, \$-6.2 million and -103 FTEs; FY 2001, \$-6.5 million and -103 FTEs)
- Finances the new DoDEA initiatives by reapplying DoDEA funding made available in this PBD and PBD 083 (FY 2000, \$13.3 million; FY 2001, \$13.7 million) and by Service offsets (FY 2000, \$1.3 million; FY 2001, \$16.8 million). Services are directed to provide specific program offsets to the USD(Comptroller).

CHANGE

**JOINT STAFF
PBD COORDINATION
SUSPENSE SHEET**

PBD – 083C

OPERATIONS – DOD DEPENDENTS EDUCATION ACTIVITY

J-8 POINT OF CONTACT

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**SUSPENSE FOR COMMENTS
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1200 EASTERN / 1 DEC 98

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dj9pbad1@nmcc20a.nmcc.smil.mil

JOINT STAFF COMMENTS: E-Mail to J-8 POC via JSAN E-Mail

***CONFIRM RECEIPT OF COMMENTS BY CALLING
DSN 224-6489 or DSN 225-0322***

PBD CONTINUATION

No. 083C

CHANGE

DETAIL OF EVALUATION: This PBD addresses new programs for DoDEA which have been identified by the Commanders in Chief of the Unified and Specified Commands as high priority quality of life issues. It also addresses a new requirement in Puerto Rico, storm damage in the Antilles, and revised student enrollments.

Full-Day Kindergarten and Reduced Pupil Teacher Ratio

The Domestic Dependent Elementary & Secondary Schools (DDESS) already have full-day kindergarten while the DoD Dependent Schools (DoDDS) overseas has half-day kindergarten. The concern of the CINC is that parity be maintained across all of DoDEA. Implementation of a full-day kindergarten program is the highest CINC priority for overseas schools. In addition, full-day kindergarten supports the President's Education Initiatives program and will be consistent with the U.S. public school trend toward a full-day program.

The CINC also recommended that DoDEA reduce the pupil to teacher ratio (PTR) in grades 1-3 from 21:1 to 18:1. This reduction will allow DoDEA to establish smaller classes to enable higher student achievement, increase teachers' ability to identify student needs, and improve the quality of the instructional environment. It also supports the President's educational priorities for improving student outcomes by reducing class sizes in the early stages of learning.

Implementing these programs separately generates added funding requirements as shown below:

	(TOA, Dollars in Millions)					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Full-Day Kindergarten</u>	<u>+10.8</u>	<u>+15.7</u>	<u>+18.7</u>	<u>+17.3</u>	<u>+18.1</u>	<u>+18.7</u>
O&M, Defense-Wide	+10.8	+12.3	+14.5	+17.3	+18.1	+18.7
MILCON, Defense-Wide	-	+3.4	+4.2	-	-	-
 <u>Reduced PTR</u>	 <u>+8.6</u>	 <u>+26.1</u>	 <u>+32.1</u>	 <u>+36.4</u>	 <u>+32.9</u>	 <u>+30.3</u>
O&M, Defense-Wide	+13.9	+15.3	+20.6	+27.0	+32.9	+30.3
MILCON, Defense-Wide	-	+10.8	+11.5	+9.4	-	-

However, DoDEA indicates that 15 percent of the costs of the two programs over the FYDP can be avoided if the two programs are implemented jointly. The cost-avoidance accrues because of program phasing and decreased military construction requirements (O&M portion) from bundling. The alternative incorporates joint implementation and reflects the following adjustments:

(TOA, Dollars in Millions)

PBD CONTINUATION

No. 083C

CHANGE

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Alternative Estimate	+13.9	+29.7	+43.1	+51.3	+38.9	+49.0
O&M, Defense-Wide	+13.9	+18.5	+22.8	+31.1	+38.9	+49.0
MILCON, Defense-Wide	-	+11.2	+20.3	+20.2	-	-

		<u>(Civilian Full-Time Equivalents)</u>				
Alternative Estimate	+74	+170	+238	+343	+524	+649

Pilot Summer School Program Overseas

The CINCs also cited summer school in DoDDS as a high priority quality-of-life issue. This would support the national trend to enhance educational opportunities for children to excel in academics. However, there is some experience to indicate that the children of parents stationed overseas may take advantage of the summer break to travel back to the United States. Thus, DoDEA should conduct a 2-year pilot program for summer school to assess appropriate curriculum and needs. The alternative adds \$0.8 million in FY 2000 and \$0.8 million in FY 2001 for the summer pilot program in DoDDS

	<u>(TOA, Dollars in Millions)</u>	
	<u>FY 2000</u>	<u>FY 2001</u>
Alternative Estimate	+0.8	+0.8

	<u>(Civilian FTEs)</u>	
Alternative Estimate	+12	+12

New Requirement in Puerto Rico

The relocation of units from Panama, and the attendant military members and their families, to Puerto Rico will require increased support from DoDEA. In adjusting DoDEA resources, PBD 083, signed November 3, 1998, recognized increased DoDEA staffing requirements and support cost of \$3.3 million beginning in FY 2000 as a result of this move. This estimate was based on a student enrollment increase in Puerto Rico of 446 students. More recent data indicates a revised estimate of 665 students. The alternative recognizes this revised requirement and makes the following adjustments:

	<u>(TOA, Dollars in Millions)</u>						
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Alternative Est.	+1.1*	+0.8	+0.8	+0.8	+0.8	+0.8	+0.8

* Information only; to be funded within available DoDEA resources.

		<u>(Civilian Full-Time Equivalents)</u>				
Alternative Est.	-	+16	+16	+16	+16	+16

PBD CONTINUATION

No. 083C

CHANGE

Storm Damage from Hurricane George

Hurricane George caused major damage to DoDEA school facilities in the Antilles School District. DoDEA requires \$1.6 million in FY 1999 to cover repair of damage to roofs and interior structural systems in Antilles. Accordingly, the alternative provides \$1.6 million in FY 1999.

DoDEA Student Enrollment

In FY 1999, DoDEA student enrollment is 2,367 students less than budgeted. In effect, this decrease is a reduction to the DoDEA student baseline that can be extended to FY 2000/01 and beyond. The decreased student enrollment generates cost savings of \$6.2 million and reduced FTEs of 103 annually beginning in FY 2000. Because of fixed teacher levels in the short-term, the FY 1999 saving is \$0.8 million for variable non-personnel cost. Accordingly, the alternative makes the following adjustments.

	(TOA, Dollars in Millions)						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Alternative Est.	-0.8*	-6.2	-6.5	-6.7	-6.9	-7.2	-7.4

* Information only - amount is to be made available to partially fund increased requirements in Puerto Rico.

	(Civilian Full-Time Equivalents)						
Civ, FTEs	-	-103	-103	-103	-103	-103	-103

Financing

To provide funding for the new DoDEA initiatives (Full-day Kindergarten, Reduced PTR, and Summer School Pilot Program), the alternative reapplies assets made available in PBD 083 and this PBD. (Reference the table below.) To finance the residual requirement the alternative requires offsets from the Services based on their proportionate share of student enrollment in DoDEA (Army, 52 per cent; Navy, 22 per cent, and Air Force, 26 per cent). Accordingly, the alternative reflects the following adjustments:

	(TOA, Dollars in Millions)					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
New Programs	14.7	30.6	43.1	51.3	38.9	49.0
DoDEA Offsets	13.3	13.7	14.0	14.4	14.7	15.1
Reapply PBD 083 Assets	7.9	8.0	8.1	8.3	8.4	8.5
Reapply PBD 083C Assets*	5.4	5.7	5.9	6.1	6.3	6.6

PBD CONTINUATION

No. 083C

CHANGE

<u>Remaining Requirement</u>	1.4	16.9	29.1	36.9	24.2	33.9
<u>Service Offsets</u>	<u>1.4</u>	<u>16.9</u>	<u>29.1</u>	<u>36.9</u>	<u>24.2</u>	<u>33.9</u>
Army Offset	0.7	8.6	14.8	18.8	12.3	17.3
Navy Offset	0.3	3.7	6.4	8.1	5.3	7.5
Air Force Offset	0.4	4.6	7.9	10.0	6.6	9.1

* Reduced enrollment savings less increase in Puerto Rico requirement.

SUMMARY OF ADJUSTMENTS:

(TOA, Dollars in Millions)

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Alternative Estimate	+1.6	+7.9	+8.0
O&M, Defense-Wide (DoDEA)	+1.6	+9.3	+13.7
MILCON, Defense-Wide	-	-	+11.2
Program Offset - Army	-	-0.7	-8.6
Program Offset - Navy	-	-0.3	-3.7
Program Offset - Air Force	-	-0.4	-4.6

(Civilian Full Time Equivalents)

DoDEA	-	-1	+95
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OUTYEAR IMPACT:

(TOA, Dollars in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Alternative Estimate	+8.1	+8.3	+8.4	+8.5
O&M, Defense-Wide	+16.9	+25.0	+32.5	+42.4
MILCON, Defense-Wide	+20.3	+20.2	-	-
Program Offsets - Army	-14.8	-18.8	-12.3	-17.3
Program Offsets - Navy	-6.4	-8.1	-5.3	-7.5
Program Offsets - Air Force	-7.9	-10.0	-6.5	-9.1

(Civilian Full Time Equivalents)

DoDEA	+151	+256	+437	+562
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PROGRAM BUDGET DECISION



UNAUTHORIZED RELEASE OF THE FOLLOWING
PROGRAM BUDGET DECISION IS PROHIBITED

PBD 083

DATE: NOVEMBER 3, 1998

DECISION: THE DEPUTY SECRETARY APPROVED THE ALTERNATIVE ESTIMATE.
DODEA IMPROVEMENTS TO BE ADDRESSED IN A SUBSEQUENT PBD.

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PROGRAM BUDGET DECISION

No. 083

SUBJECT: Operations - DoD Dependents Education Activity and the Office of Economic Adjustment

DOD COMPONENTS: Army, Navy, Air Force, DoD Dependents Education Activity (DoDEA), and the Office of Economic Adjustment (OEA)

SUMMARY OF ADJUSTMENTS:

	(TOA, Dollars in Millions)		
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Agency Estimate	1,379.0	1,388.5	1,417.8
Alternative Estimate	-1.3	-9.0	-8.9

SUMMARY OF EVALUATION: The Agency estimate finances the operation and maintenance costs for DoDEA and OEA. The alternative estimate reflects the following adjustments:

- Reduces DoDEA funding in FY 2000 and beyond to fully reflect savings as a result of closures at Panama and Fort McClellan. (FY 2000, \$-7.8 million and FY 2001, \$-8.0 million)
- Realigns 69 full-time equivalents (FTEs) and end strength (E/S) in FY 1999 and the outyears to reflect movement of Navy reimbursable civilians to DoDEA. (FY 1999, 69 FTEs/E/S; FY 2000, 69 FTEs/E/S; and FY 2001, 69 FTEs/E/S)
- Reduces OEA funding to reflect reduced administrative costs. (FY 1999, \$-1.1 million; FY 2000, \$-1.0 million; and FY 2001, \$-0.9 million)
- Accelerates the reduction in OEA's civilian FTEs and E/S to reflect FY 1998 execution and the reduction of OEA's mission for Base Realignment and Closure Commission (BRAC) support. (FY 1999, \$-0.2 million and -3 FTEs/E/S and FY 2000, \$-0.2 million and -2 FTEs/E/S)

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PBD CONTINUATION

No. 083

DETAIL OF EVALUATION:

DoD Dependents Education Activity (DoDEA)

The DoDEA program finances: (1) elementary and secondary education for U. S. military children attending DoD dependent schools (DoDDS) overseas and DoD domestic dependent elementary and secondary schools (DDESS), and (2) family support assistance services. The following table provides the price and program changes between FY 1999 and FY 2000 for DoDEA.

		(TOA, Dollars in Millions)			
	<u>FY 1999</u>	<u>Foreign</u>	<u>Price</u>	<u>Program</u>	
		<u>Currency</u>	<u>Change</u>	<u>Change</u>	<u>FY 2000</u>
Agency Estimate	1,347.7	+1.8	+31.9	-23.4	1,358.0

DoDEA Savings from Panama and Fort McClellan Closures

	(TOA, Dollars in Millions)	
	<u>FY 1999</u>	<u>FY 2000</u>
Agency Estimate	37.2	14.1
Alternative Estimate	-	-7.8

Both Panama and Fort McClellan are closing at the end of the 1998/99 school year. The total costs for operating Fort McClellan and Panama in FY 1999 (in FY 2000 \$) are \$37.7 million. Of this amount, \$2.5 million is in reimbursements from tuition paying students. There are no expected costs at these two sites in FY 2000. However, there are some offsetting costs that reduce the closure savings.

It appears that some of the troops currently assigned to Panama will be reassigned to Puerto Rico. The DoDEA estimates that this will require increased staffing and support costs of \$3.3 million in FY 2000 and beyond. The resulting net savings are \$31.9 million. However, the DoDEA budget only reflects a reduction of \$24.1 million for the closure, or \$7.8 million less than expected. The DoDEA budget appropriately reduces its FTEs; therefore, no manpower adjustment is required.

The alternative estimate reduces funding by \$7.8 million in FY 2000 to fully reflect the net savings from closing Panama and Fort McClellan. The outyears are similarly adjusted.

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PBD CONTINUATION

No. 083

Realignment of Full-Time Equivalent Authorizations

	(Civilian FTEs and E/S)	
	<u>FY 1999</u>	<u>FY 2000</u>
Agency Estimate	13,424	13,141
Alternative Estimate		
DoDEA	+69	+69
Navy	-69	-69

A Director for Administration & Management (DA&M) study on the DoDEA organization recommended that certain Navy reimbursable civilian personnel be realigned under DoDEA since DoDEA reimburses the Navy for these individuals' services. The DA&M study recommended the consolidation of personnel support (64 FTEs) and the General Counsel's Offices (5 FTEs).

The alternative estimate realigns 69 FTEs and end strength in FY 1999 and the outyears from the Navy to DoDEA. No funding adjustment is required since DoDEA already pays for these personnel as a reimbursable expense.

Office of Economic Adjustment (OEA)

The OEA provides technical and financial assistance to communities: (1) that are affected by base closures, realignments, and reductions in defense industry employment; (2) where the local economy is heavily dependent on defense expenditures; (3) where expansion of the local military installation significantly increases the demand for public facilities and services; and (4) when community development threatens the mission of an installation. The following table provides the price and program changes between FY 1999 and FY 2000 for OEA.

	(TOA, Dollars in Millions)			
	<u>FY 1999</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2000</u>
Agency Estimate	31.2	+0.5	-1.2	30.5

Administrative and Management Overhead

	(TOA, Dollars in Millions)	
	<u>FY 1999</u>	<u>FY 2000</u>
Agency Estimate	31.2	30.5
Alternative Estimate	-1.1	-1.0

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PBD CONTINUATION

No. 083

With the reduction of OEA's mission for Base Realignment and Closure Commission (BRAC) support, the FY 1998 management and administrative overhead costs were lower than expected. Lower cost areas include travel, consulting services, and other services. To update the OEA estimate for the FY 1998 experience, the alternate estimate reduces funding by \$1.1 million in FY 1999 and by \$1.0 million FY 2000. The outyears are similarly adjusted.

Adjustment of Civilian FTEs to Meet Requirement

	<u>FY 1999</u>	<u>FY 2000</u>
<u>Agency Estimate</u>		
TOA, \$ Millions	31.2	30.5
Civilian FTEs and E/S	46	43
<u>Alternative Estimate</u>		
TOA, \$ Millions	-0.2	-0.2
Civilian FTEs and E/S	-3	-2

A major decrease in the demand for OEA support will occur in FY 1999 when most BRAC communities complete their base reuse planning. The workload drops OEA personnel requirements from a high of 50 civilian personnel in FY 1997 to 31 in FY 2002. The OEA is 2 years ahead of schedule on their reductions in personnel and expects to be at 43 civilian personnel in FY 1999 and 41 in FY 2000. The alternative estimate reduces funding and FTEs and E/S to reflect the revised plan (Adjustments: \$-0.2 million and -3 civilian FTEs and E/S in FY 1999, and \$-0.2 million and -2 civilian FTEs and E/S in FY 2000).

SUMMARY OF ADJUSTMENTS:

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Alternative Estimate			
TOA, \$ Millions	-1.3	-9.0	-8.9
USDH Civilians FTEs and E/S	-3	-2	+69

OUTYEAR IMPACT:

	<u>(TOA, Dollars in Millions)</u>			
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Alternative Estimate	-9.1	-9.2	-9.4	-9.5

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OPERATION & MAINTENANCE APPENDIX			NUMBER 083		ALTERNATIVE 1		
(\$ in Thousands)							
PROGRAM/ISSUE	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005

Operation and Maintenance, Defense-Wide

Budget Activity 4, Administration and Servicewide Activities

DoDEA

Panama and Fort McClellan Closures

	-	-7,863	-7,989	-8,117	-8,247	-8,379	-8,513
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Subtotal DoDEA

-	-7,863	-7,989	-8,117	-8,247	-8,379	-8,513
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OEA

Administrative and Management Overhead

-1,072	-1,005	-933	-948	-963	-978	-994
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Civilian FTE Reduction

-251	-172	-	-	-	-	-
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Subtotal OEA

-1,323	-1,177	-933	-948	-963	-978	-994
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Total

-1,323	-9,040	-8,922	-9,065	-9,210	-9,357	-9,507
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MANPOWER APPENDIX			NUMBER 083		ALTERNATIVE 1		
(End Strength (E/S)/Full-time Equivalents (FTEs) for Civilians)							
PROGRAM/ISSUE	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005

Civilians, Defense-Wide

U.S. Direct Hires Civilians

O&M, Defense-Wide

DoDEA (E/S and FTEs)

Realignment from Navy

+69	+69	+69	+69	+69	+69	+69	+69
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OEA (E/S and FTEs)

Adjustment to Meet Requirement

-3	-2						
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Total D-W Civilians

+66	+67	+69	+69	+69	+69	+69	+69
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O&M, Navy (E/S and FTEs)

Realignment to DoDEA

-69	-69	-69	-69	-69	-69	-69	-69
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Total Navy Civilians

-69	-69	-69	-69	-69	-69	-69	-69
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Total USDH Civilians (E/S and FTEs)

-3	-2	-	-	-	-	-	-
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DEPARTMENT/AGENCY: USEUCOM

MAJOR BUDGET ISSUE

PBD No. 633

Subject: Medium Extended Air Defense System (MEADS)

(BA \$ in Millions)

	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Requirement	<u>287</u>	<u>292</u>	<u>297</u>	<u>303</u>	<u>310</u>	<u>0</u>
Army Budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PBD Adjustments	<u>Unknown</u>					
Amount Appealed	<u><287></u>	<u><292></u>	<u><297></u>	<u><303></u>	<u><310></u>	<u><317></u>

Brief Description of Issue:

The Medium Extended Air Defense System (MEADS) program was cut by \$33M in the FY 99 budget. There is currently no MEADS funding identified for the FYDP. The budget above reflects the use of the PAC-3 missile in place of a newly developed MEADS missile. MEADS is an International Cooperation Program with the Germans and Italians who would supply almost half of the funding for this expensive endeavor. Lack of U.S. funding support for MEADS would mean turning away that significant funding assistance. More importantly, lack of U.S. support would further undermine U.S. credibility with our Allies. Most important to the Warfighter, MEADS is the only system in development that satisfies USEUCOM capability requirements for Theater Air and Missile Defense.

Component Recommendation:

Restore MEADS FY99 funding and program the \$1.8 billion through FY00-05 to demonstrate U.S. commitment to future cooperative armaments arrangements with our allies.